

# Food Stamps and Temporary Assistance for Needy Families (TANF)

## Overview of Programs

Missouri Department of Social Services  
Family Support Division

March 2013



## **INTRODUCTION**

The Department of Social Services (DSS) Family Support Division (FSD) administers the Food Stamp and Temporary Assistance to Needy Families (TANF) programs in Missouri.

## **FOOD STAMP PROGRAM**

### **Roles and Responsibilities**

In 2008, the Food Stamp Program was officially renamed the Supplemental Nutrition Assistance Program (SNAP) at the federal level. Missouri retained the name Food Stamp Program (FS). SNAP is administered at the federal level by the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS). The Food Stamp Program in Missouri is administered by the Department of Social Services (DSS) Family Support Division (FSD).

Federal Regulations at 7 CFR 271.4 delegate state agencies to be responsible for the administration of the program in each of the US states and territories. The Food Stamp Program is designed to promote and safeguard the health and well-being of the nation's population by raising the levels of nutrition among low-income households.

### **Federal Laws and Regulations**

The Food Stamp Program is governed by the Food and Nutrition Act of 2008 and Title 7, Subtitle B, Chapter 2, Subchapter C in the Federal Regulations at 7 CFR 271 through 7 CFR 285.

The Federal regulations include requirements for eligibility for and administration of the program, as well as requirements for the distribution and use of the Food Stamp benefits.

Eligibility criteria include, but are not limited to:

- Identity (confirming person is who they say they are),
- Residency (verification of physical residence at a Missouri address),
- citizenship or eligible noncitizen status (citizenship or eligible immigrant documentation),
- household composition (number of people in the household who prepare meals together),
- social security numbers (provided by the applicant and verified via hard copy document),
- resources under \$2000 (\$3000 if elderly or disabled), and
- income under 100% (net) and 130% (gross) federal poverty level.

Additional Federal Regulations of interest include:

- 7 CFR 274.1 requires state agencies to issue Food Stamp benefits to households on an Electronic Benefit Transfer (EBT) card. An EBT card is similar to a debit card.
- 7 CFR 274.8(b)(10) provides that EBT cards must be interoperable in all states and allow households to redeem benefits in any state to purchase food at a retail store or wholesale food company approved under the Food and Nutrition Act of 2008.

Food Stamp benefits can be used to purchase:

- food, and
- food products, such as seeds and plants to grow food.

Food Stamp benefits cannot be used to purchase:

- alcohol,
- tobacco,
- hot prepared foods,
- foods prepared for immediate consumption,
- vitamins, medicine, supplements, or
- non-food items such as paper products, soap, or pet food.

*Note: Food Stamp benefits cannot be withdrawn as cash.*

### **Funding**

DSS/FSD administers the Food Stamp program in Missouri on behalf of the USDA. The benefits themselves are 100% federally funded. The administration of the Food Stamp Program is shared between the Federal government and the State government. The majority of the administrative program costs are split 50/50, with a few of the administrative costs 100% federally funded.

### **Eligibility Periods**

When a household is approved for Food Stamps, a certification period is assigned and the household receives benefits each month until the last month of the certification period. The certification period begins with the first month the household is eligible to receive benefits including a month when the benefits prorate to zero.

At initial application, FSD verifies:

- income,
- noncitizen eligibility,
- medical expenses,
- social security numbers,
- residency,
- identity,
- disability, and
- legal obligation to pay and actual payment of child support.

FSD validates information provided through hard copy documentation, collateral resources, and information available to us via automated interfaces and exchanges of information with other state and federal resources.

In the last two months of a certification period, the household may reapply to receive Food Stamp benefits for a new certification period. This is called a recertification. At recertification, FSD verifies:

- income if the source has changed or the monthly amount has changed by more than \$50,
- monthly medical expenses that have changed by more than \$25,
- changes in child support obligation and payments,
- newly obtained social security numbers, and
- any information that is questionable.

## **Interviews**

An interview is required for each application. The application interview is the basic tool for obtaining information to establish eligibility. A face-to-face interview is required unless waived in the following situations:

- household members are unable to come to the office because they are elderly or disabled; or
- household members are unable to come to the office because of household hardship, including but not limited to, transportation difficulties, illness, care of a household member, prolonged severe weather, or work or training hours which prevent the household from participating in an in-office interview.

If the face-to-face interview is waived, the interview can be conducted by telephone. In this situation, applicants must still provide hard-copy documentation for verification and approval purposes. This documentation can be mailed, faxed, or brought in to an FSD office.

## **Identity**

The identity of the applicant for Food Stamp benefits must be verified prior to issuing benefits.

Identity is verified through driver's license, school or work identification, voter registration card, wage stubs, birth certificates, and other hard copy documentation.

## **Residency**

Because food stamp eligibility requirements are not set by the State, there is not a requirement of intent to permanently remain in the county or State. A fixed residence is not required under federal law. Homeless persons and migrants living in campsites meet the federal residency requirement, if they are currently residing in Missouri.

Residency is verified through rent or mortgage receipts, lease contracts, utility bills, and other hard copy documents. If hard copy documentation is not readily available, a reference contact can be made.

## **Applicant/Recipient Responsibility**

Responsibilities of the household include:

- reporting correct information at application,
- cooperating with FSD to complete the application and interview process,
- providing appropriate verification as requested,
- reporting when household income exceeds 130% of FPL,
- completing a mid-certification review and providing requested verification,
- cooperating with FSD in determining ongoing eligibility when changes are reported, and
- cooperating with Quality Control reviews.

## **Electronic Benefits Transfer (EBT) Cards**

Food Stamp recipients access benefits through the use of an Electronic Benefits Transfer (EBT) card. When paying for groceries, the food stamp recipient's EBT card is run through a point of sale (POS) terminal (cash register) enters their secret PIN number and their account is debited for the amount of the purchase.

## Interim Contacts

Changes occur in household circumstances during the certification period. Households are required to report when the household gross monthly income exceeds 130% of the Federal Poverty Level (FPL). If a change is reported to FSD, action will be taken on the case when:

- the benefits will increase as a result of the change,
- the household gross income exceeds 130% of the federal poverty level and the case should close, or
- the change is required by policy (i.e., disqualifications, sanctions, etc.)

All other changes are disregarded until the next mid-certification review or application.

## Out of State Use of Benefits

Federal Regulations at 7 CFR 274.8 require that EBT cards be interoperable in all US states and territories. EBT cards must provide the Food Stamp household the ability to redeem benefits in any state to purchase food at a retail food store or a wholesale food company approved under the Food and Nutrition Act of 2008.

To identify and control duplicate participation, on a regular basis the Public Assistance Reporting Information System (PARIS) matches participating states' public assistance records with other participating states' public assistance records (Interstate Match), Veterans Administration records (VA Match) and federal records for active or retired military and federal employees (Federal Match)

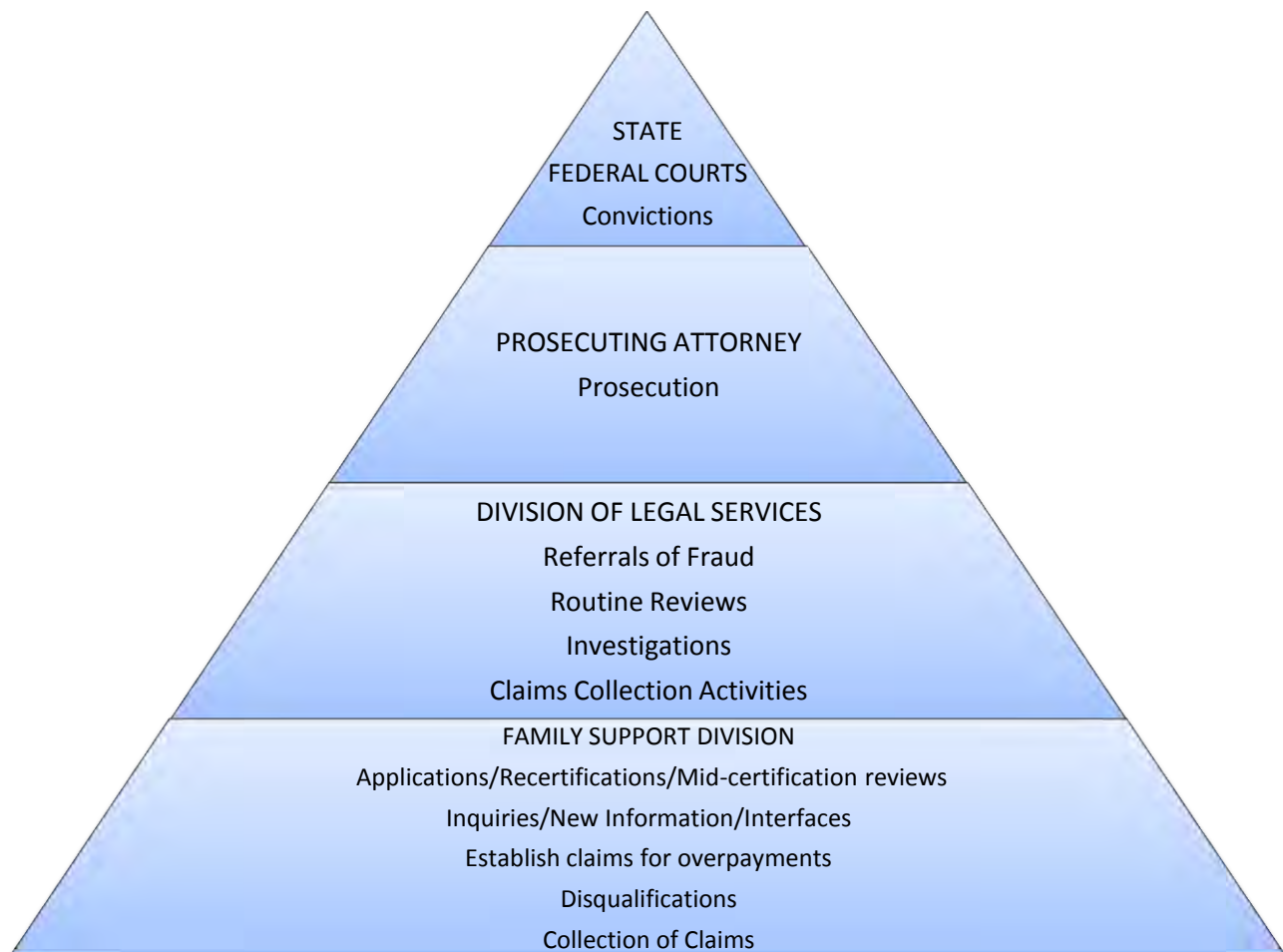
There are possible reasons a household may be using benefits in another state:

- More convenient and/or cost effective to shop in a bordering state,
- Military families receiving benefits in Missouri are transferred to another state,
- Migrant or seasonal farm workers,
- Natural disasters, domestic violence, divorce, etc. displace people, making it necessary to seek shelter from out of state family members or friends,
- Families move to find employment opportunities,
- Seeking medical care or in-home care from family members,
- Providing temporary care for aging parents or sick family members,
- Homeless cardholders may go to warmer states in winter months.

If change becomes known, no action is taken until the next recertification.

## Monitoring Usage of Benefits

There are several lines of defense in determining and combating fraudulent use of benefits. The agencies involved and their specific roles are provided in the diagram below.



It is important to note that most instances of overpayment are identified through routine reviews and interfaces conducted by the FSD. When FSD discovers an overpayment, a claim is established and if FSD suspects program violation the case will be referred to the Division of Legal Services (DLS) for investigation.

DLS also conducts routine reviews for purposes of detecting fraudulent use of benefits and will conduct investigations for suspected program violations. If violation is validated as a result of an investigation, DLS will ask FSD to compute and establish a claim.

In addition, a citizen or other entity may contact both FSD and DLS regarding potential fraud. When such a contact is received, an investigation will be initiated.

## Food Stamp Program Over-Payments

Claims are established when a household receives more Food Stamps than they were eligible for. Claims are established against any individual, age 18 or over, who was a member of the household or against an individual that was found guilty of trafficking Food Stamp benefits.

## Disqualifications

Individuals will be disqualified from the Food Stamps program for an Intentional Program Violation (IPV). An IPV exists whenever an individual intentionally:

- makes a false or misleading statement, misrepresents, conceals, or withholds facts; or
- commits any act constituting a violation of the Food Stamp Act, the Food Stamp Program Regulations, or any State statute relating to the use, presentation, transfer, acquisition, receipt, or possession of Food Stamp benefits.

When an individual has been found guilty of an IPV or signs a waiver of an administrative disqualification hearing, a disqualification is imposed.

The maximum disqualification periods associated with the IPV as allowed by federal law are as follows:

- 1<sup>st</sup> finding of violation - the individual is ineligible to receive benefits for twelve months;
- 2<sup>nd</sup> finding of violation - the individual is ineligible to receive benefits for twenty-four months; and
- 3<sup>rd</sup> finding of violation - the individual is permanently ineligible to receive benefits.

Additional program violations and the resulting penalties are as follows:

- For the first occurrence of exchanging Food Stamp benefits for a controlled substance, the individual is disqualified for twenty-four months. The second occurrence results in permanent disqualification.
- An individual convicted of trafficking Food Stamp benefits of \$500 or more is permanently disqualified.
- An individual found to have made a fraudulent statement or representation about identity or residence in order to receive multiple benefits simultaneously is disqualified for 10 years.
- An individual convicted of transacting benefits for firearms, ammunition or explosives is permanently disqualified from receiving Food Stamp benefits.

There are several ways FSD learns of possible fraud and/or disqualifications. These include:

- Declarations at application,
- Voluntary report,
- Anonymous Calls,
- Community Calls,
- Prison Match,
- Law Enforcement Reports, or
- Other Government Agency.



## **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) PROGRAM**

### **Roles and Responsibilities**

The Temporary Assistance for Needy Families (TANF) program [known as Temporary Assistance (TA) in Missouri] is administered by the Administration for Children and Families (ACF), United States Department of Health and Human Services (HHS). The four purposes of the TANF program are:

- assisting needy families so that children can be cared for in their own homes;
- reducing the dependency of needy parents by promoting job preparation, work and marriage;
- preventing out-of-wedlock pregnancies; and
- encouraging the formation and maintenance of two-parent families.

Each state is required to administer a program that has the responsibility for determining eligibility for TANF benefits for citizens and qualified noncitizens of the state. The Family Support Division (FSD) within the Department of Social Services (DSS) processes applications for Temporary Assistance benefits and has the responsibility of determining eligibility for these benefits.

The Temporary Assistance program provides cash assistance for families so they can care for their children in their own homes. Families receive support and services to assist them in engaging in job preparation and work activities. The goal is for families to become independent of the need for cash assistance and fosters the formation and maintenance of two-parent families.

### **State and Federal Laws and Regulations**

Federal and state regulations govern the TANF program. The legal basis for program administration and eligibility determination for individuals is set forth in Title IV-A of the Social Security Act, Title 45 Chapter 11 Sections 200-209, RSMo 208, and Title 13 Code of State Regulations Division 40 Chapter 2. The statutory authority for Rules and Regulations of the Family Support Division is set forth in Section 207.020, RSMo 1959 as amended.

Eligibility criteria includes, but is not limited to, a child under the age of 18 in the home with a verified relationship between the payee and child(ren), citizenship or eligible noncitizen status, household composition, social security numbers, resources under \$1000 at application (\$5000 once an active participant), and income under the gross and net maximums.

### **Funding**

Benefits are a combination of federal and state funds. Federal funds are received through the TANF block grant. There is a state maintenance of effort (MOE) of 80% required. The state MOE includes a portion of expenditures on the TANF cash grant as well as expenditures from other programs that meet one of the four purposes of TANF.

### **Eligibility Periods**

Once approved, a participant can continue receiving Temporary Assistance benefits as long as they meet the eligibility criteria. However, benefits are time limited to 60 months unless the parent/custodian is a teen parent under age 18 attending school, is age 60 or over, is disabled or is needed in the home to care for a disabled family member.

At application, FSD verifies:

- the household's income,
- resources,
- the age of the child(ren),
- the relationship of the child(ren) to the payee,
- that the child(ren) is living in the home of the payee,
- the status of any noncitizen that provides documentation (individuals can decline to provide documentation, but then cannot receive benefits), and
- social security numbers.

At annual review, FSD verifies:

- the household's income,
- resources, and
- that the child(ren) is living in the home of the payee.

If there are any new household members, FSD also verifies that individual's social security number and noncitizen status if not a US citizen.

If Temporary Assistance benefits are misused, a protective payee may be assigned. Misuse is defined as the payee is spending the grant primarily for their purposes and use rather than for the child(ren)'s necessities. There are several ways FSD may learn of possible misuse, including but not limited to:

- voluntary reports,
- anonymous calls,
- community calls,
- law enforcement reports, and
- other government agency reports.

## **Interviews**

A Temporary Assistance application cannot be completed by mail. A face-to-face interview must be completed before the application is approved.

A face-to-face interview is not required during the annual review.

## **Residency**

Individuals who are currently residing in Missouri may be eligible for Temporary Assistance in Missouri. To be eligible, the household must live in the state voluntarily, with the intent to make a home here, not for a temporary purpose.

## **TANF Drug Testing**

All TANF applicants/recipients age 18 or older and who are head-of-household must complete screening for illegal use of drugs. An individual who refuses to complete the drug screen or refuses to cooperate with any part of the drug test process is ineligible for TANF benefits. Refusal to cooperate includes:

- Failure to provide sample for drug testing within required time frame;
- Failure to fully comply with the drug testing process;
- Failure to appear for drug testing at the designated location and time;
- Failure to contact or cooperate with any medical review process; and
- Failure to provide verification of identity;

The individual is ineligible for TANF for a period of three years from the date of the administrative hearing decision.

### **Drug screening**

- All head-of-household individuals applying for TANF benefits must answer all screening questions.
- All active TANF recipient head-of-household age 18 or older names will be matched quarterly against the MO Highway Patrol records for arrest or conviction for misdemeanor or felony drug offense.

### **Notice of drug testing**

If an Individual's response to the screen indicates there is reasonable cause to believe they are suspicious for drug use/controlled substance or if they have an arrest or conviction or misdemeanor or felony drug offense match with Missouri Highway Patrol they will be sent a notice that a drug test is required and they will receive a letter from the drug testing vendor with details pertaining to their appointment. The drug testing vendor's letter will tell them...

- Where to go for the drug test;
- When test is to be done; and
- What photo identification they must bring.

### **Drug Test**

The individual will do a urine dipstick 5-panel drug test.

### **Failed Drug Test**

If an individual fails a drug test, they can receive TANF benefits only if they get substance abuse treatment approved by the MO Department of Mental Health.

### **TANF Recipients Required to Enter & Complete Substance Abuse Treatment Programs**

TANF recipients who test positive for illegal use of a controlled substance are referred to an appropriate substance abuse treatment program.

TANF recipients referred to a treatment program will be assessed for appropriate level of care and an initial treatment plan.

TANF recipients must actively participate in the substance abuse treatment program and must complete the assessment; enroll in appropriate treatment program; consent to communication between and among the treatment provider, Family Support Division, and Department of Mental health personnel about participation and progress in treatment; and help develop an individual treatment plan and make satisfactory progress toward treatment goals.

The Department of Mental Health or the treatment provider will inform Family Support Division of the date the TANF recipient entered the program, and the date they did or did not successfully complete program.

### **Administrative Hearing**

A TANF applicant or recipient is notified in writing that they have an automatic administrative hearing with the Family Support Division if they:

- Refuse to cooperate with the screening process;
- Refuse to provide a valid sample; and
- Test positive for illegal use of controlled substances.

A TANF applicant or recipient can request an administrative hearing if they:

- Do not participate in an appropriate substance abuse treatment program after it is ordered by an administrative hearing;
- Fails to successfully complete an appropriate substance abuse treatment program after it is ordered by an administrative hearing; and
- Tests positive for illegal use of controlled substance a subsequent time.

### **Assignment of Protective Payee**

A TANF recipient head-of-household who becomes ineligible for benefits will have a protective payee assigned to administer the TANF benefits within 45 days of the administrative hearing or when a new protective payee must be designated. Assignment of a protective payee is required any time a TANF

head-of-household refuses to complete screening process, refuses to submit to a drug test for illegal use of a controlled substance and does not enter or successfully completes a substance abuse treatment program. A relative, friend, clergy person, or other qualified adult may be designated as a protective payee.

## **Applicant/Recipient Responsibility**

Responsibilities of the household include:

- reporting correct information at application,
- cooperating with FSD to complete the application and interview process,
- providing appropriate verification as requested,
- reporting changes in household circumstances,
- completing an annual review and providing requested verification,
- cooperating with FSD in determining ongoing eligibility when changes are reported, and
- cooperating with Child Support enforcement, as applicable, and
- cooperating with TANF work requirements, as applicable.

## **Electronic Benefits Transfer (EBT) Cards**

Participants access TANF benefits through the use of an Electronic Benefits Transfer (EBT) card at a Point of Sale (POS) terminal (cash register )or an automatic teller machine (ATM.)

## **Interim Contacts**

Participants are required to report changes to their circumstances, such as address changes, income or employment changes, household composition changes, and resource changes. FSD takes action on reported changes as well as other changes that are reported through other sources, such as wage matches, Social Security matches, etc.

## **Out of State Use of Benefits**

There are no restrictions in the state or federal regulations or statutes limiting the geographical use of Temporary Assistance benefits. EBT cards must be accessible....

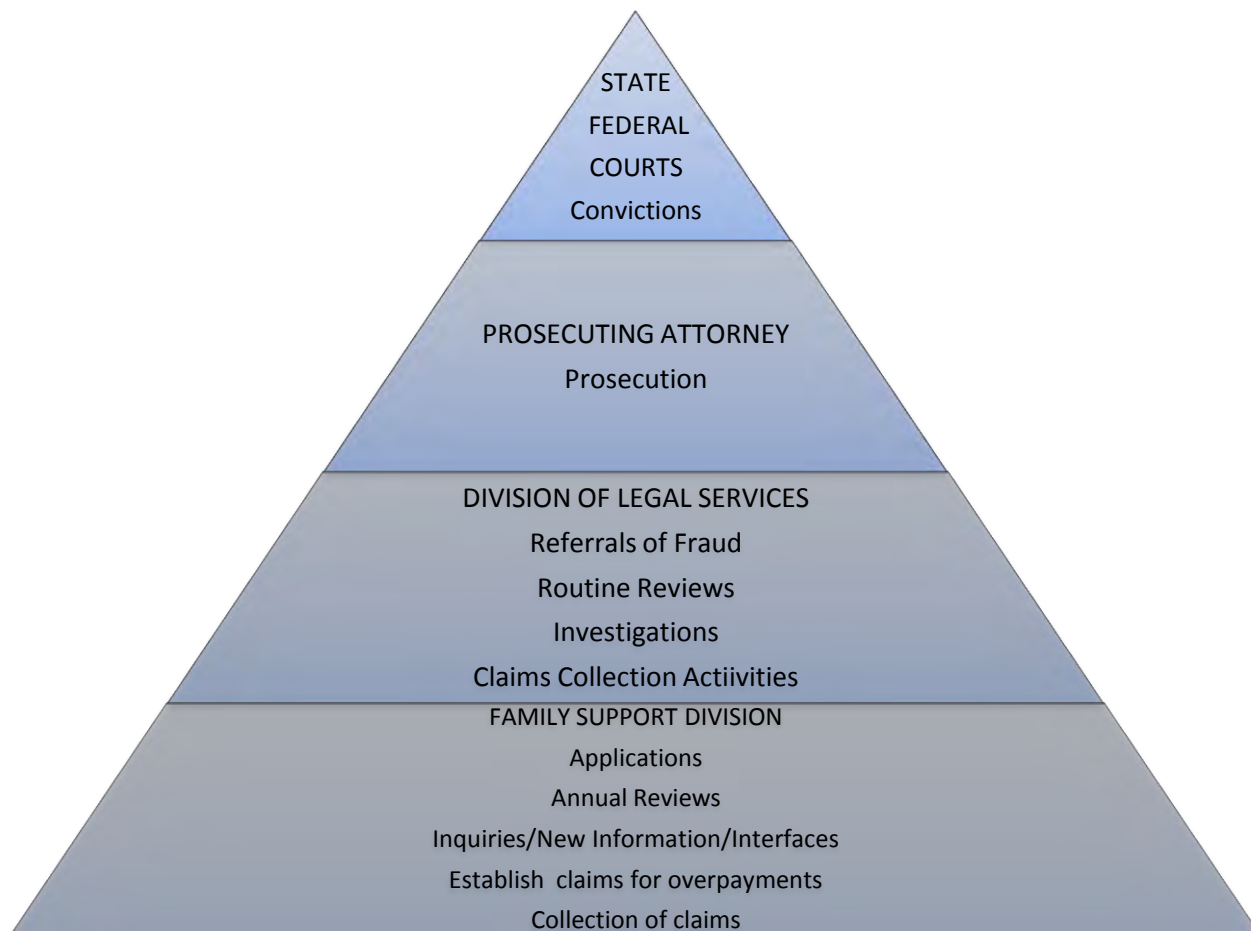
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There are possible reasons a household may be using benefits in another state:

- More convenient and/or cost effective to shop in a bordering state;
- Military families receiving benefits in Missouri are transferred to another state;
- Natural disasters, domestic violence, divorce, etc. displace people, making it necessary to seek shelter from out of state family members or friends;
- Families move to find employment opportunities;
- Seeking medical care or in-home care from family members; or
- Providing temporary care for aging parents or sick family members.

### Monitoring Usage of Benefits

There are several lines of defense in determining and combating fraudulent use of TANF benefits. The agencies involved and their specific roles are provided in the diagram below.



### Temporary Assistance Program Over-Payments

Claims are established when a household receives TA benefits that they were not eligible for. Overpayments can occur due to non-reporting of income or property, or due to agency error. The amount of the claim is computed by determining the number of months of overpayment and the amount of overpayment for each month.

## **DIVISION OF LEGAL SERVICES - Welfare Investigation Unit (WIU)**

The WIU is divided into five regions having offices in Independence, Jefferson City, St. Louis, Springfield, and Sikeston. The WIU primarily investigates allegations of recipient fraud and abuse involving the various public assistance programs administered by DSS including but not limited to:

- Food Stamps,
- TANF,
- Blind Pension,
- Child Care,
- MO HealthNet (MHD),
- Energy Assistance, and
- Complaints of EBT trafficking.

WIU also investigates employee threat referrals from all divisions of DSS.

### **Eligibility Fraud and Abuse**

The WIU primarily investigates allegations of recipient eligibility fraud and abuse in the various public assistance programs administered by the DSS. The majority of these investigations involve FS and TANF benefits.

Most of these investigations are referred to the WIU by the Family Support Division (FSD). Referrals are received from various means including:

- a daily report generated by FSD listing overpayments that clients have received,
- other FSD requests to obtain needed information to establish a claim,
- individuals report fraud by calling the DLS Welfare Fraud Hotline at (877) 770-8055, or by e-mailing complaints to [DLS.ReportFraud@dss.mo.gov](mailto:DLS.ReportFraud@dss.mo.gov), or
- letters, legislative referrals, and information obtained through other state agencies as well as local, state or federal law enforcement agencies.

### **Eligibility Fraud Cases**

The typical eligibility fraud case involves the recipient's failure to report income, assets, employment, or changes in household composition that result in an overpayment of benefits.

When an investigator initiates an investigation regarding allegations of eligibility fraud or similar cases, the following steps may be taken, but not limited to:

- Review the FSD case file;
- Communicate with the FSD eligibility specialist;
- Gather appropriate documentary evidence;
- Conduct interviews; or
- Write a report that either proves or disproves the allegation.

If an intentional program violation of the food stamp program is apparent, the investigator presents the subject with a voluntary food stamp disqualification agreement. By signing this agreement, the subject consents to a disqualification for a one person allotment from the food stamp program. If the subject does not sign the agreement, a food stamp disqualification hearing is requested.



If the subject is currently receiving food stamps or TANF benefits, recoupment (grant reductions) are initiated.

### **Electronic Benefit Transfer (EBT) Fraud**

The United States Department of Agriculture (USDA) has primary jurisdiction for pursuing cases of retailer EBT fraud. Investigations will assist the USDA by analyzing EBT card usage to detect suspected cases of retailer fraud and, in some instances, WIU will independently pursue cases of suspected recipient EBT fraud as well.

### **Prosecution**

An investigation can be presented to the local prosecuting attorney or in some instances, the United States Attorney. It is at the discretion of the prosecutor whether or not charges will be filed.

In some instances the local prosecutors use prosecutorial deferment and collect monthly payments of the fraudulent claim. WIU is notified and communicates with prosecutors to ascertain the progress of each case submitted and to determine if or when the prosecutor will proceed on the case.